

IRISH LAND PURCHASE FUND.

ACCOUNTS, 1907-1908.

ACCOUNTS of RECEIPTS and PAYMENTS by the COMMISSIONERS for the REDUCTION of the NATIONAL DEBT in respect of the CAPITAL and INCOME of the IRISH LAND PURCHASE FUND, in the Year ended 31st March 1908, together with the REPORT of the COMPTROLLER and AUDITOR-GENERAL thereon.

(Presented pursuant to Act 3 Edw. 7. c. 37. s. 33.)

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IRISH LAND PURCHASE FUND.

EXPLANATORY NOTE.

The Irish Land Purchase Fund is a special fund placed under the control of the National Debt Commissioners for the purposes of the Irish Land Act, 1903. As this special fund possesses somewhat peculiar features, a short explanation of these features may be desirable.

The chief means of raising money for the purposes of the Irish Land Act, 1903, is by the creation of Guaranteed $2\frac{3}{4}$ per Cent Stock. This stock is issued for two distinct objects, viz. :—

- (a) To provide cash for advances under the Act - - - Section 28
- (b) To provide cash for the payment of a bonus of 12 per cent.
to vendors - - - - - Section 47

Cash for advances can also be obtained—

- (c) By temporary borrowing - - - - - Section 30
- (d) By using the sinking fund for further advances - - - Section 36

(Provision is made in the Act (Section 36) for the two cases of stock being issued at a discount and at a premium. The issues already made have been at a considerable discount, and a further reference to the case of an issue at a premium does not appear to be necessary at present.)

(a) The stock issued for the purpose of raising money for advances is divided into two parts. In the first place, stock of equal nominal amount to the cash realised by the issue is assigned to the advances account, as the liability for which the cash advanced for land purchase is to provide (Section 36); and the remaining part of the issue is set up as a liability for which an annuity chargeable on the Guarantee Fund is the corresponding asset (Section 36 (6)).

(b) The stock issued for the purpose of realising money for payment of the bonus of 12 per cent. is a liability for which Parliament votes both the interest and sinking fund (Section 47 (2)).

While, therefore, the issue of the stock is for two objects, the provision for the payment of the dividends and sinking fund in respect of the same comes from three different sources.

It will be seen that the Irish Land Purchase Fund practically comprises three distinct accounts :—

Account I.—Called "Advances Account," in which the capital raised (or stock of equal nominal amount when cash is raised by this means) has a corresponding asset in the annuities payable by borrowers, with the Guarantee Fund as security for their due payment.

Account II.—Called "Excess Stock Account," in which the liability comprises the additional amount of stock issued to raise cash for advances, in consequence of issues being made at a discount, the corresponding asset being an annuity chargeable on the Guarantee Fund.

Account III.—Called "Land Purchase Aid Fund," in which the stock issued to provide the bonus is met by an annuity chargeable on Votes of Parliament.

The annuities payable in each case provide for interest on the capital together with an addition of $\frac{1}{4}$ per cent. per annum by way of sinking fund for accumulation.

In addition, therefore, to the Irish Land Purchase Fund, consisting of three distinct accounts, each of these accounts contains within itself an accumulation account to provide for the ultimate extinction of the capital liability.

Each of the three accounts above referred to is given in a separate column, the total of such individual accounts forming the Irish Land Purchase Fund.

The "Advances Account" now includes the transactions under the Labourers (Ireland) Act, 1906, 6 Edw. 7. cap. 37. Under section 15 of the same Act, the unexpended balance (98,178*l.*) on the 31st March, 1906, of the amount received from the Ireland Development Grant is retained as a working balance, and is included in the balance shown on the Income Account (Advances).

In addition to the accounts of receipts and payments, the statement of securities on which the capital has been raised and the balance sheet, two supplementary accounts are given showing (1) the detail of each accumulation account, and (2) the amounts drawn from and repaid to the Guarantee Fund.

National Debt Office.

G. Hervey,
Comptroller-General.

IRISH LAND

ACCOUNTS of RECEIPTS and PAYMENTS by the National Debt Commissioners
of the IRISH LAND PURCHASE

CAPITAL

RECEIPTS.

| | Advance Account. | | Excess Stock Account. | | Land Purchase AM Fund. | | TOTAL. | |
|---|------------------|-------|-----------------------|-------|------------------------|-------|-----------|-------|
| | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| Balance on 31st March 1907 | — | | 416 | 10 10 | 129 | 10 0 | 346 | 0 10 |
| Money raised :— | | | | | | | | |
| By creation of Guaranteed 2½ per Cent. Stock. | 3,775,385 | 8 4 | — | | 468,489 | 11 8 | 4,243,875 | 0 0 |
| By loans from Sinking Fund. | 95,400 | 0 0 | — | | — | | 95,400 | 0 0 |
| By Temporary borrowings | 3,015,000 | 0 0 | — | | — | | 3,015,000 | 0 0 |
| Sinking Fund receipts - - | 94,538 | 6 4 | 15,498 | 18 8 | 11,385 | 19 1 | 121,423 | 4 1 |
| Cash proceeds of securities sold and paid off, viz. :— | | | | | | | | |
| Temporary investments :— | | | | | | | | |
| For 1,344,000 <i>l.</i> Treasury Bills sold and paid off. | 1,317,648 | 6 11 | — | | — | | 1,317,648 | 6 11 |
| For 145,000 <i>l.</i> Treasury Bills sold and paid off. | — | | — | | 143,050 | 7 7 | 143,050 | 7 7 |
| For 524,000 <i>l.</i> Exchequer Bonds sold. | 522,317 | 10 0 | — | | — | | 522,317 | 10 0 |
| For 283,000 <i>l.</i> do. - | — | | — | | 281,890 | 12 6 | 281,890 | 12 6 |
| £ | 8,820,284 | 11 7 | 15,915 | 9 6 | 902,986 | 0 10 | 9,739,186 | 1 11 |

INCOME

| | | | | | | | | |
|--|---------|-------|--------|-------|--------|------|---------|------|
| Balance on 31st March 1907 | 126,343 | 17 5 | 0 | 1 2 | 2,869 | 17 8 | 129,212 | 16 3 |
| From Irish Land Commission | 456,939 | 9 9 | 497 | 6 0 | 54,178 | 9 3 | 511,635 | 5 0 |
| From Guarantee Fund - - | 35,947 | 11 2 | 65,645 | 2 0 | — | | 101,592 | 13 2 |
| Interest on investments - | 14,455 | 7 9 | 100 | 7 9 | 4,423 | 11 0 | 18,979 | 6 6 |
| Fractions of pence saved in the payment of dividends. | 2 | 8 4 | — | | 0 | 4 9 | 2 | 13 1 |
| Arrears of annuity instalments and interest recovered. | 26,480 | 0 6 | — | | — | | 26,480 | 0 6 |
| £ | 660,187 | 14 11 | 66,242 | 16 11 | 61,472 | 2 8 | 787,902 | 14 6 |

PURCHASE FUND.

in the Year ended 31st March 1908, in respect of the CAPITAL and INCOME FUND, per 3 Edw. VII. c. 37.

ACCOUNT.

| PAYMENTS. | | | | |
|--|-------------------|-----------------------|--------------------------|----------------|
| — | Advances Account. | Excess Stock Account. | Land Purchase Adv. Fund. | Total. |
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Balance overdrawn 31st March 1907. | 121,250 4 7 | — | — | 121,250 4 7 |
| Advanced to Irish Land Commission. | 5,378,948 4 6 | — | 347,223 9 2 | 5,921,171 13 5 |
| Temporary borrowings (Capital Account) repaid. | 2,156,000 0 0 | — | — | 2,156,000 0 0 |
| Cash invested, viz. :— | | | | |
| For Sinking Fund :— | | | | |
| In loans to Capital Accounts for further advances. | 74,600 0 0 | 9,300 0 0 | 11,500 0 0 | 95,400 0 0 |
| In purchase of 23,000l. Guaranteed 2½ per Cent. Stock. | 19,822 11 10 | — | — | 19,822 11 10 |
| In purchase of 7,400l. Guaranteed 2½ per Cent. Stock. | — | 6,232 8 2 | — | 6,232 8 2 |
| Temporary Investments :— | | | | |
| In purchase of— | | | | |
| 104,000l. Treasury Bills. | 891,943 6 11 | — | — | 891,943 6 11 |
| 145,000l. " " " | — | — | 143,090 7 7 | 143,090 7 7 |
| 174,000l. Exchequer Bonds | 173,548 15 0 | — | — | 173,548 15 0 |
| 190,000l. " " " | — | — | 189,215 12 6 | 189,215 12 6 |
| Balance on 31st March 1908— | 9,171 8 9 | 383 1 4 | 11,956 11 7 | 21,511 1 8 |
| £ | 8,820,264 11 7 | 15,915 9 6 | 902,986 0 10 | 9,739,166 1 11 |

ACCOUNT.

| | | | | |
|---|---------------|--------------|------------|--------------|
| Dividends on Guaranteed 2½ per Cent. Stock. | 505,544 8 8 | 65,644 8 8 | 58,029 6 1 | 629,218 3 5 |
| Interest on Sinking Fund securities, transferred to Capital Account. | 2,635 16 4 | 597 11 3 | 503 14 7 | 3,737 2 2 |
| Interest on Temporary borrowings (Capital Account). | 7,265 12 10 | — | — | 7,265 12 10 |
| Repaid to Guarantee Fund on account of amount drawn for deficiency of Income. | 15,500 0 0 | — | — | 15,500 0 0 |
| Interest accrued on Exchequer Bonds at date of purchase. | 423 13 11 | — | 1,100 2 8 | 1,523 16 7 |
| Recovered arrears paid to Guarantee Fund. | 25,524 9 2 | — | — | 25,524 9 2 |
| Balance on 31st March 1908— | 103,293 14 0 | 0 17 0 | 1,338 19 4 | 105,138 10 4 |
| £ | 660,187 14 11 | 66,242 16 11 | 61,472 2 8 | 787,902 14 6 |

GUARANTEED 2½ PER CENT. STOCK ACCOUNT.

| — | Advances Account. | Excess Stock Account. | Land Purchase Adv. Fund. | Total. |
|--|-------------------|-----------------------|--------------------------|-----------------|
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Amount of Stock written off and cancelled in the year. | 21,576 16 1 | 2,257 8 5 | — | 24,434 4 6 |
| Balance of Stock remaining on 31st March 1908. | 20,882,046 16 10 | 2,833,374 1 2 | 2,451,444 8 9 | 26,166,865 6 9 |
| £ | 20,903,623 12 11 | 2,835,231 9 7 | 2,451,444 8 9 | 26,191,099 11 8 |

"LOANS FROM SINKING FUND" ACCOUNT, for

| | | | | |
|--|-------------|---|---|-------------|
| Balance of Loans from Sinking Fund to Capital (Advances) Account remaining on 31st March 1908. | 199,000 0 0 | — | — | 199,000 0 0 |
| £ | 199,000 0 0 | — | — | 199,000 0 0 |

"TEMPORARY BORROWINGS" ACCOUNT, for

| | | | | |
|---|---------------|---|---|---------------|
| Temporary borrowings repaid in the year. | 2,156,000 0 0 | — | — | 2,156,000 0 0 |
| Balance of Temporary borrowings outstanding on 31st March 1908. | 859,000 0 0 | — | — | 859,000 0 0 |
| £ | 3,015,000 0 0 | — | — | 3,015,000 0 0 |

IRISH LAND PURCHASE FUND.

LIABILITIES.

| — | Advances Account. | Excess Stock Account. | Land Purchase Adv. Fund. | Total. |
|--|-------------------|-----------------------|--------------------------|----------------|
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| CAPITAL ACCOUNT— | | | | |
| Value, at par, of amount of Guaranteed 2½ per Cent. Stock remaining. | 20,882,046 16 10 | 2,833,374 1 2 | 2,451,444 8 9 | 26,166,865 6 9 |
| Value, at par, of amount of "Loans from Sinking Fund" remaining. | 199,000 0 0 | — | — | 199,000 0 0 |
| Temporary borrowings outstanding. | 859,000 0 0 | — | — | 859,000 0 0 |
| SINKING FUND ACCOUNT— | | | | |
| Balance remaining on 31st March 1908. | 278 9 11 | 883 1 4 | 87 18 8 | 749 9 11 |
| INCOME ACCOUNT— | | | | |
| Balance remaining on 31st March 1908. | 103,298 14 0 | 0 17 0 | 1,838 19 4 | 105,133 10 4 |
| £ | 22,043,619 0 9 | 2,833,747 19 6 | 2,453,371 6 9 | 27,330,738 7 0 |

for the Year ended 31st March 1908.

| — | Advances Account. | Excess Stock Account. | Land Purchase Adv. Fund. | Total. |
|--------------------------------------|-------------------|-----------------------|--------------------------|-----------------|
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Balance of Stock on 31st March 1907. | 17,128,238 4 7 | 2,161,616 17 11 | 1,901,444 8 9 | 21,191,299 11 8 |
| Amount of Stock created in the year. | 3,775,385 8 4 | 674,614 11 8 | 550,000 0 0 | 5,000,000 0 0 |
| £ | 20,903,623 12 11 | 2,836,231 9 7 | 2,451,444 8 9 | 25,191,299 11 8 |

the Year ended 31st March 1908.

| | | | | |
|--|-------------|---|---|-------------|
| Balance of Loans on 31st March 1907. | 103,600 0 0 | — | — | 103,600 0 0 |
| Amount of Loans from Sinking Fund to Capital (Advances) Account in the year. | 95,400 0 0 | — | — | 95,400 0 0 |
| £ | 199,000 0 0 | — | — | 199,000 0 0 |

the Year ended 31st March 1908.

| | | | | |
|---|---------------|---|---|---------------|
| Amount of Temporary borrowings in the year. | 3,015,000 0 0 | — | — | 3,015,000 0 0 |
| £ | 3,015,000 0 0 | — | — | 3,015,000 0 0 |

BALANCE SHEET, 31st MARCH 1908.

ASSETS.

| — | Advances Account. | Excess Stock Account. | Land Purchase Adv. Fund. | Total. |
|--|-------------------|-----------------------|--------------------------|----------------|
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Accumulated amount of Sinking Fund. | 155,799 4 11 | 32,395 8 4 | 26,487 18 8 | 214,682 11 11 |
| Outstanding amount to be accumulated with Sinking Fund payments. | 21,775,414 18 1 | 2,800,978 12 10 | 2,413,087 17 2 | 26,989,481 3 1 |
| Cash at Banks of England and Ireland. | 112,466 2 9 | 588 18 4 | 13,795 10 11 | 126,849 12 0 |
| £ | 22,048,619 0 9 | 2,838,757 19 6 | 2,453,871 6 9 | 27,341,748 7 0 |

National Debt Office,
31st March 1908.G. Harvey,
Comptroller General.

I certify that this Account has been examined under my directions, and is correct.

Examined,
C. H. Archibald.John A. Kemp,
Comptroller and Auditor-General.

SUPPLEMENTARY ACCOUNTS.

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SHARES PAID ACCOUNT FOR THE YEAR ENDED 31st MARCH 1905.

| | Advance account | | | Share Stock account | | | Lost Payments and Profit | | | Total | | |
|---|-----------------|----|----|---------------------|---|---|--------------------------|----|---|---------|----|----|
| | £ | s | d | £ | s | d | £ | s | d | £ | s | d |
| 14,814 1s. 6d. transferred to 1/2% Stock at par | 14,814 | 1s | 6d | 14,814 | 7 | 6 | | | | 14,814 | 7 | 6 |
| Excess in Capital (Advances) Shorter | 148,000 | 0 | 0 | 148,000 | 0 | 0 | 148,000 | 0 | 0 | 148,000 | 0 | 0 |
| Cash advanced | 878 | 0 | 11 | 887 | 1 | 4 | 87 | 1s | 8 | 725 | 0 | 11 |
| Balance value of Shares held | 148,702 | 1 | 11 | 148,702 | 8 | 4 | 148,087 | 1s | 8 | 148,087 | 1s | 11 |

QUARTERLY PAID ACCOUNT FOR THE YEAR ENDED 31st MARCH 1905.

| Interest Due Quarterly Paid. | | | | From Quarterly Paid | | | | | | | | |
|--------------------------------------|----------------|-------|-----------|---------------------|------|-------------------------------|----------------------|-----|-----------|---------|------|------|
| | | | | | | | | | | | | |
| Balance at 31st March 1907 | | | £ 181,394 | s 11 | d 0 | Repaid on account of interest | £ 84,389 | s 9 | d 0 | | | |
| For interest in respect of Advances | Capital 4,000 | to 3d | | | | Do | deficiency of income | | 10,260 | s 0 | d 0 | |
| | Income 37,842 | to 3d | | | | | | | | | | |
| For deficiency of income | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Advances in respect of Eastern Goods | Capital 70,000 | to 1d | | | | Balance at 31st March 1908 | | | £ 103,191 | s 4 | d 0 | |
| | Income 65,000 | to 3d | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | £ | 600,007 | s 10 | d 11 | | | £ | 600,007 | s 10 | d 11 |

IRISH LAND PURCHASE FUND.

REPORT of the COMPTROLLER and AUDITOR-GENERAL.

Account under Irish Land Act, 1908.

1. The account of the capital and income of the Irish Land Purchase Fund, prepared by the Commissioners for the Reduction of the National Debt, for the year ended the 31st March 1908 has been examined by my Department and is presented to Parliament in accordance with section 33 of the Irish Land Act, 1908.

Scope of Account.

2. The account shows the stock created, and the money raised, under sections 28 and 47 of the Act, by the issue of Guaranteed 2½ per Cent. Stock. It also shows the money advanced to the Irish Land Commissioners for the purposes of the Act, the amount received through the Land Commissioners for sinking fund purposes and for payment of dividends, together with the temporary investments, and the working of the various sinking funds.

Stock created, &c.

3. The total amount of stock created to the 31st March 1908 was 26,201,444l. 8s. 9d., of which 20,912,612l. 2s. 8d. was for the Advances account, 2,837,387l. 17s. 4d. was for the Excess Stock account, and 2,451,444l. 8s. 9d. was for the Land Purchase Aid Fund.

The amount of stock purchased out of sinking fund balances and cancelled to the 31st March 1908 was on Advances account 30,565l. 5s. 10d., on Excess Stock account 4,013l. 16s. 2d., and the balance of stock remaining on the 31st March 1908 on all accounts was 26,166,865l. 6s. 9d.

Heads of Account.

4. A prefatory note attached to the Account explains the three heads under which it has been prepared by the National Debt Commissioners, and also shows the amount of the balance (98,478l.), unexpended on the 31st March 1906, of the sums received from the Ireland Development Grant, which is retained as a working balance under the terms of section 15 of the Labourers (Ireland) Act, 1906.

CAPITAL ACCOUNT.

Money raised.

5. The money raised by the creation of stock during the year, 4,241,875l., was supplemented by loans of 95,400l. from the sinking fund; and a sum of 3,015,000l. was temporarily borrowed, of which 2,156,000l. was repaid out of the money raised by the next creation of stock.

Issues.

6. Issues to the Irish Land Commissioners for the purposes of the Land Purchase Acts amounted in the year 1907-08 to 5,821,171l. 13s. 8d., of which 5,373,048l. 4s. 6d. was for the Advances account and 547,223l. 9s. 2d. for the Aid Fund. The total advances to the Irish Land Commissioners for the Land Purchase Aid Fund since the Act has been in force amounted on the 31st March 1908 to 2,141,233l. 5s.

INCOME ACCOUNT.

7. In addition to the amounts received from the Irish Land Commission and the Guarantee Fund for the purposes of the Income accounts, the receipts included a sum of 18,979l. 6s. 6d. as interest on investments.

AID FUND.

8. A sum of 53,674l. 14s. 8d. for dividends on the Aid Fund stock, together with 10,882l. 4s. 6d. for the sinking fund, was provided by the Vote for the Irish Land Commission, Class III, Vote 16, 1907-08.

SINKING FUNDS.

9. Out of the total receipts for the Sinking Funds, viz. :—

| | | £ | s. | d. |
|--------------------|-----------|----------------|-----------|----------|
| To 31st March 1907 | - - - - - | 120,796 | 12 | 8 |
| In 1907-08 | - - - - - | 121,423 | 4 | 1 |
| | | <u>242,219</u> | <u>16</u> | <u>9</u> |

a sum of 199,000*l.* was loaned to the Capital account for further advances, 42,470*l.* 6*s.* 10*d.* was applied to the purchase of Guaranteed 2½ per Cent. Stock, and the balance of cash, 749*l.* 6*s.* 11*d.*, was uninvested.

John A. Kempe,
Comptroller and Auditor-General.

Exchequer and Audit Department,
27th February 1908.